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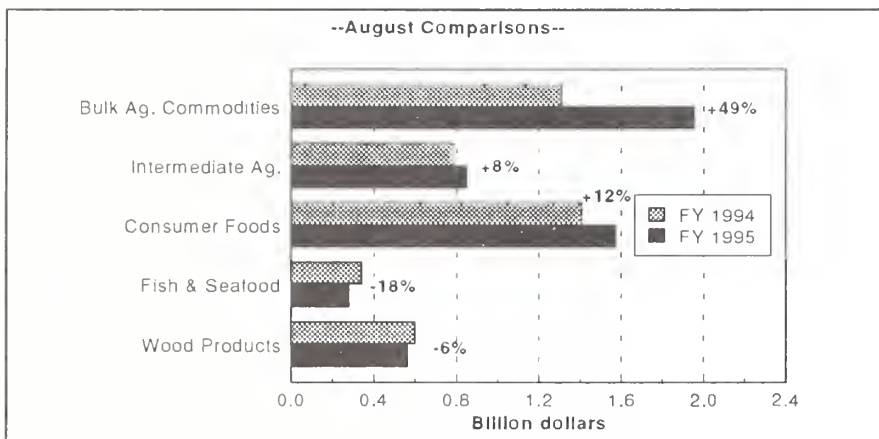
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November 1995

# Agricultural Trade Highlights

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## Exports Rise 17 Percent in August

*Bulk Commodities Post the Largest Gain*



Trade statistics released on October 18 confirm that exports of U.S. agricultural, fish and forest products in fiscal 1995 will set new record highs. In August, the value of their combined exports totaled \$5.2 billion, or 17 percent higher than the August 1994 level. Agricultural exports totaled \$4.4 billion, up 25 percent from year-ago levels, with bulk commodities accounting for the largest portion of this gain. Fish and forest product exports totaled \$850 million in August, down 10 percent over the same month last year.

August's performance raises the 11 month year-to-date total for agricultural, fish and forest product exports to \$58.9 billion, up 21 percent from the same period last year and a new record high. Agricultural products reached \$49.4 billion, up 24 percent from the same period last year, also a new record high. Fish and forest product exports are running 7 percent ahead of last year's sales.

At \$2 billion in August, U.S. exports of *bulk commodities* were up 49 percent over the same month last year. Seven of the nine commodity groups rose with coarse grains and wheat

recording the largest gains. Bulk commodity exports totaled \$22.2 billion during the first 11 months of fiscal 1995, up 33 percent from last year. All commodity groups have registered gains. Strong global demand and higher prices will boost U.S. bulk exports to about \$24 billion for the year, a \$6 billion-increase over 1994.

U.S. exports of *intermediate products* reached \$852 million in August, up 8 percent from the same month last year. Eight of the 11 product groups rose with the largest gain recorded by vegetable oils other than soyoil. During the first 11 months of fiscal 1995, intermediate product exports were up 20 percent to \$10.3 billion, representing a new record high. New record highs have been established for soybean oil and other vegetable oils.

Despite continued slower sales to Mexico, U.S. exports of *consumer-oriented products* rose in August with sales totaling \$1.6 billion, 12 percent above the same month last year. Exports rose in 10 of 15 product groups. Gains in meats, tree nuts and wine and beer more than offset declines in fresh fruits and vegetables, snack foods and breakfast cereals.

August's performance leaves consumer food exports at \$16.9 billion for the first 11 months of fiscal 1995, up 15 percent from the same period last year and a new record high. New record highs have already been established in seven product groups.

At \$284 million in August, U.S. *edible fish and seafood* exports were down 18 percent from the same month last year. Declines were broad-based with four of the five product groups registering losses. Exports of whole and eviscerated salmon fell \$59 million, and accounted for 96 percent of the overall decline in sales. Despite a weaker showing in August, U.S. fish and seafood exports finished the first 11 months of fiscal 1995 at \$2.8 billion, up 8 percent over the same period last year. A new record high has already been established for fish roe and urchin.

U.S. *forest product* exports totaled \$565 million in August, down 6 percent from the same month last year. Declines were broad-based. Log exports fell \$28 million, and accounted for three-fourths of the overall decline in sales. Fiscal year-to-date exports have reached \$6.7 billion, and are 6 percent ahead of last year.

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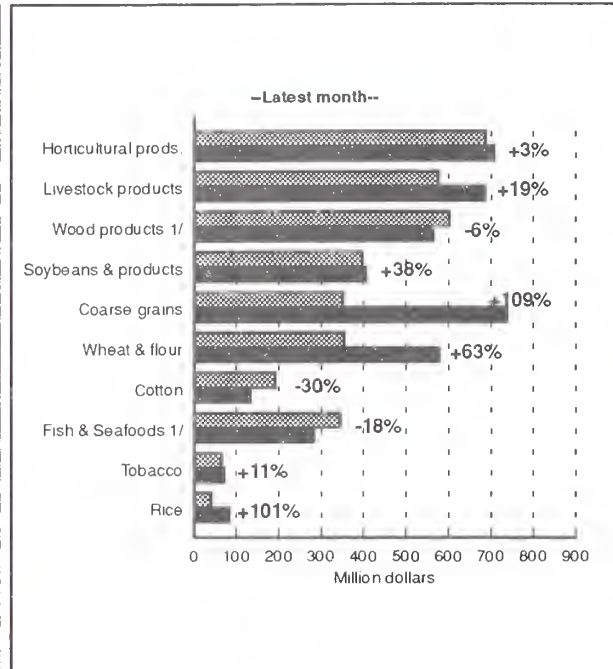
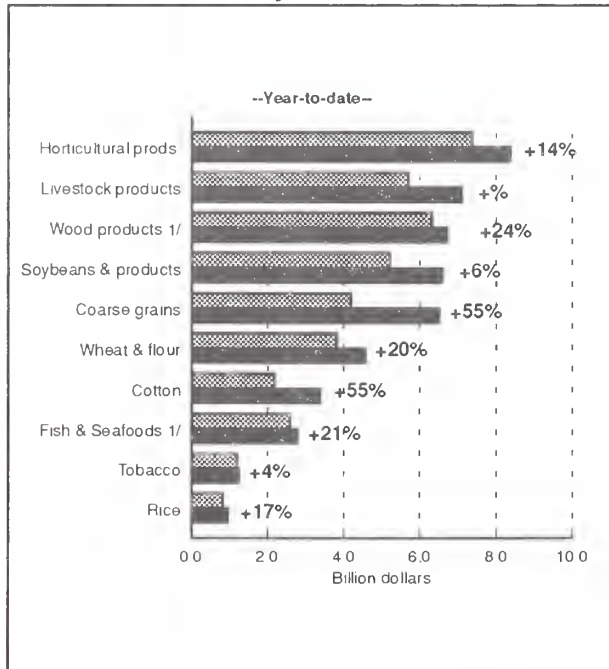
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# U.S. Agricultural, Fish and Wood Export Summaries

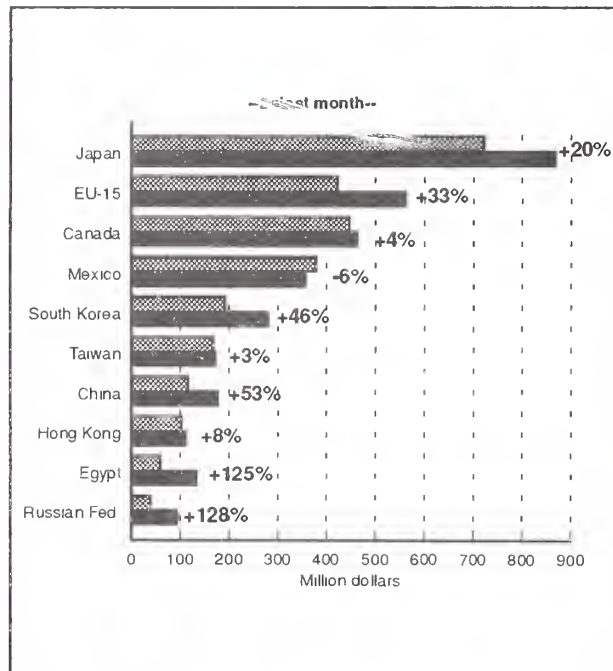
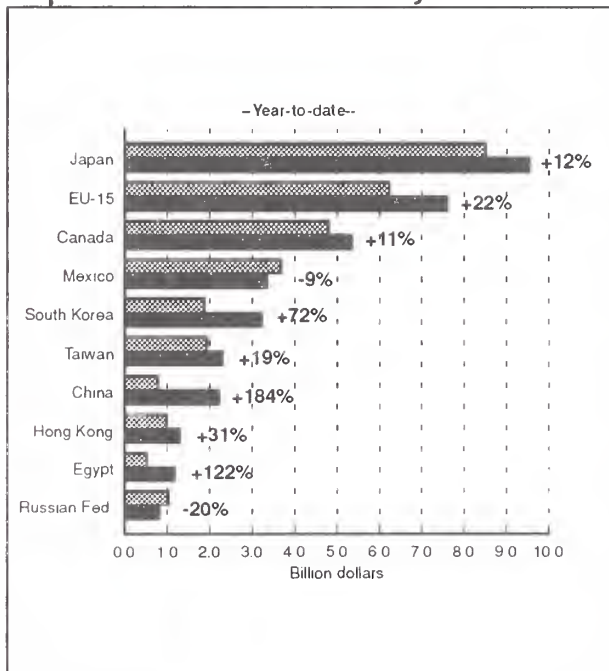
## October-August and Latest Month Comparisons

FY '94 FY '95

### Product Summary



### Top Ten Markets Summary



Note: Percentages are computed as the change from a year ago.

# Consumer Food Highlights

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*U.S. consumer food exports totaled \$12.0 billion during the first eight months of calendar 1995, up 13.4 percent over the same period a year earlier. Export value of 13 of the 16 consumer food categories exceeded last year's levels. The leading consumer food exports category, chilled and frozen red meat, continues to increase rapidly. Exports of this group of commodities during January-August 1995 were valued at \$2.7 billion, up 27 percent over 1994. Exports to Japan, the No. 1 market for U.S. consumer-oriented foods, totaled \$3.5 billion, a 24 percent increase over the same period a year ago. Exports to Japan now account for nearly 30 percent of the total value of U.S. consumer food exports. With the exception of Mexico, where exports have been adversely affected by a devaluation of the peso, exports to all major markets are ahead of last year.*

U.S. exports of *fresh, frozen, and chilled red meat* during 1995 are forecast to surpass the record \$3.4 billion set in 1994. Export growth is most evident in the Russian Federation and Asian markets. Export value for shipments to Japan and Korea are sharply above last year's levels, while Hong Kong, Taiwan, and Russia are now at annual record levels.

*Fresh fruit* export value during January to August 1995 totaled \$1.32 billion, up 2.5 percent over the same period in 1994. Citrus fruit export value continues to increase rapidly thanks to stronger unit prices and heavier export volumes for oranges, grapefruit, and lemons. A recent inspection agreement between the Pacific Northwest apple industry and Mexico will allow a resumption in sales and should help boost slumping deciduous fruit exports. Concern that Indonesia might impose restrictions on fruit imports has eased. Exports to Indonesia this year are up 55 percent and will soon pass last year's \$25.1 million record.

Export value for *processed fruit and vegetables* during the first eight months of 1995 is reported by U.S. Census at \$1.24 billion, up nearly 16 percent over the same period in 1994. Export increases in this category largely are being driven by canned sweet corn, frozen french fries, and processed tomato products. The export outlook for canned corn is impacted by a revision in the procedure used to

calculate the EU's import duty. This revision places U.S. canned corn at a significant price disadvantage to Hungarian product.

Export value for *fruit and vegetable juice* during January to August 1995 increased to \$446 million, up 22 percent over last year. The majority of the increase is attributable to orange juice sales, but exports of apple and grape juice also are up markedly. Orange juice exports are benefitting from an aggressive marketing program by the Florida industry combined with a weaker dollar against some European currencies and a stronger demand for higher-quality product.

Exports of *prepared and preserved red meat* during the first eight months of 1995 reached \$169 million, up 11 percent over 1994. The improved performance largely is tied to increased sales to the Russian Federation. Exports to this market reached \$20.9 million compared to last year's annual total of \$18.6 million. Exports to Canada, Japan, and Korea are up this year, but sales to Mexico have fallen.

Export value for *tree nuts* during January to August 1995 totaled \$600 million, up 1 percent over last year. Almonds account for close to 75 percent of total tree nut export value. Foreign demand for shelled almonds is strong due to an anticipation that prices will be rising in the near-term following this season's smaller crop.

*Dairy product* exports during the first eight months of 1995 totaled \$541 million, up nearly 10 percent over the same period in 1994. Powdered milk exports are projected to increase 40 percent in 1995 to 175,000 tons. U.S. exportable supplies have increased due to a larger output and a decline in consumption. USDA's dairy export incentive program (DEIP) is actively assisting export sales. Exports to Japan increased because of heavier shipments of cheese and ice cream while increased dry milk sales generated a record \$99 million in export value to Algeria. Exports to Mexico have declined, but import demand for dry milk products is expected to strengthen in the last quarter of the year in response to a seasonal decline in domestic milk output.

Exports of *breakfast cereals and pancake mix* in 1995 fell 10 percent to \$169 million. Exports to Canada and Mexico have declined, due in part to weakened economic conditions and a decline in the value of their currencies against the dollar.

Exports of *eggs and products* during the first eight months of 1995 reached \$106 million, up 2 percent over 1994. Exports of table and hatching eggs to Canada and Mexico have declined. Exports to Japan, however, are up sharply thanks to increased sales of albumen, and dried and preserved eggs. Export demand for table eggs should benefit from the steady decline since July in EU export restitutions.

*For more information, contact David Rosenbloom at (202) 690-1198*

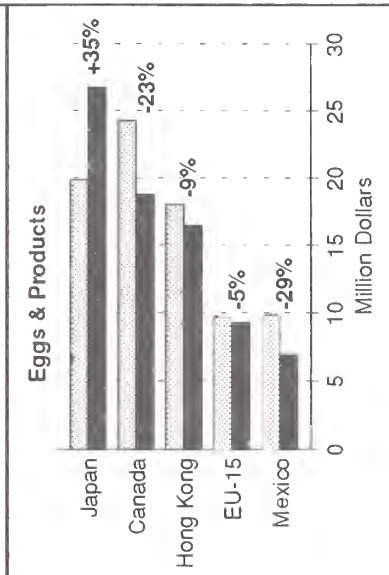
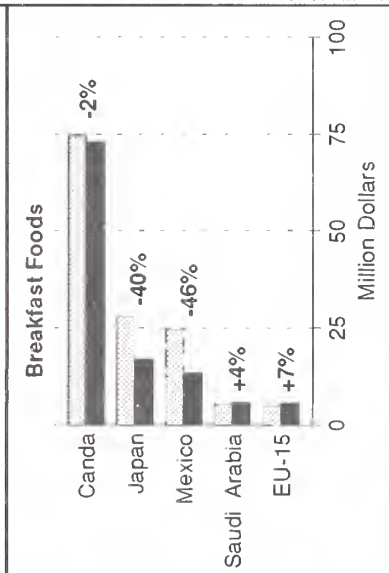
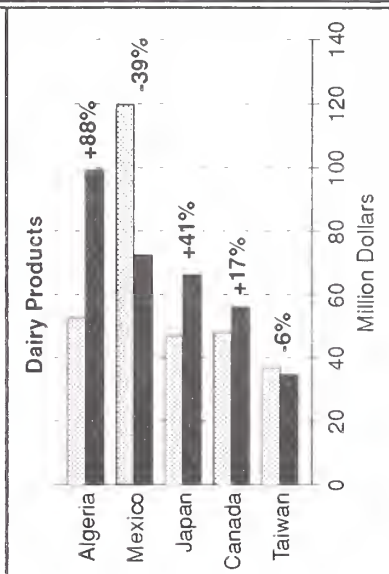
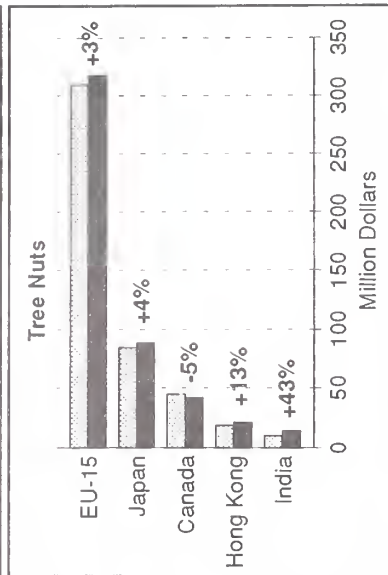
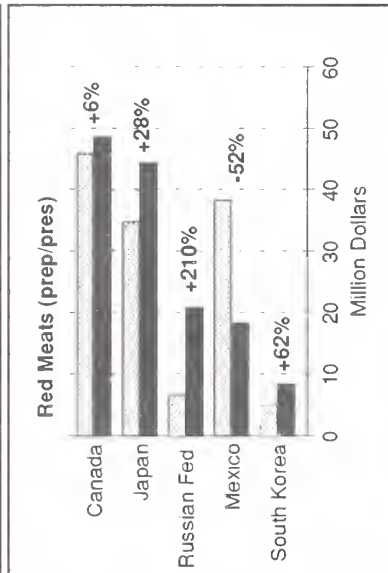
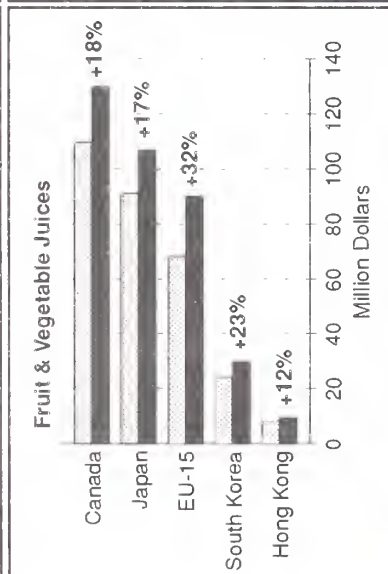
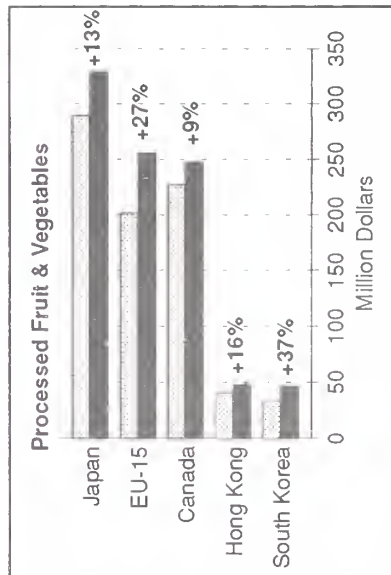
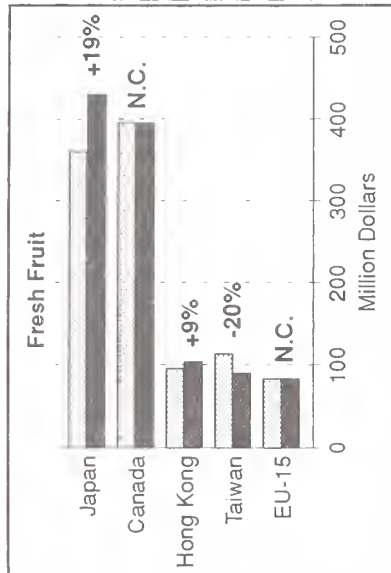
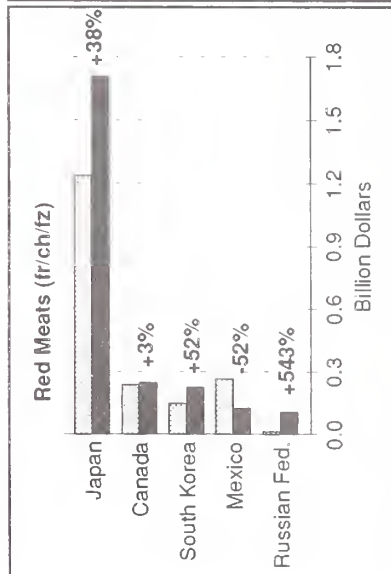


# Top Five Markets for Selected U.S. Consumer Foods

January Through August Comparisons

CY '94

CY '95



Notes: Percentages are computed as the change from 1994 to 1995. Countries are ranked from highest to lowest based on CY 1995 exports.

# Country Spotlight: Colombia

*U.S. suppliers who can offer high-quality food products at competitive prices should enjoy excellent marketing opportunities in Colombia. The Colombian Government initiated a market liberalization scheme called "Apertura" or economic opening in 1991. Under this program, import quotas on agricultural items virtually have been eliminated, import tariffs reduced, and license issuance procedures relaxed. In just the past two years, practically all large supermarkets in metropolitan areas have significantly expanded shelf space devoted to imported canned foods, breakfast cereals, condiments, and snack foods. Despite the dramatic increase in imports, Colombia's consumer-ready food products market continues to be underdeveloped, particularly for frozen foods.*

With a total population of about 36 million people, Colombia is the third largest Latin American country. Import demand for U.S. food products is strengthening as the Colombian economy prospers. Gross domestic product is projected to grow at an annual rate of 6 percent in 1995 and unemployment fell to the relatively low rate of 7.9 percent at the beginning of the year. Colombia has a vibrant middle class which constitutes nearly 55 percent of the population. This middle class enjoys a per capita income ranging between \$6,000 and \$10,000 compared to a national average per capita income in 1994 of only \$1,550.

The Colombian peso has depreciated steadily against the U.S. dollar in recent years but in 1993, 1994 and into 1995 the rate of depreciation has fallen to less than half the Colombian inflation rate which has held at slightly less than 23 percent in 1993 and again in 1994. This should allow imported products to be more competitively priced with similar products produced domestically.

Although the majority of Colombians still pride themselves on preparing foods from scratch, a growing number, especially in urban areas, are showing a preference for ready-to-eat and other convenience foods. Approximately

three out of every four Colombians live in urban areas. In large cities, consumer-ready food products are sold in modern supermarkets, small food shops, kiosks and open-air markets. Even in the most remote areas, consumer-ready food products can be found in roadside stands and peasant markets.

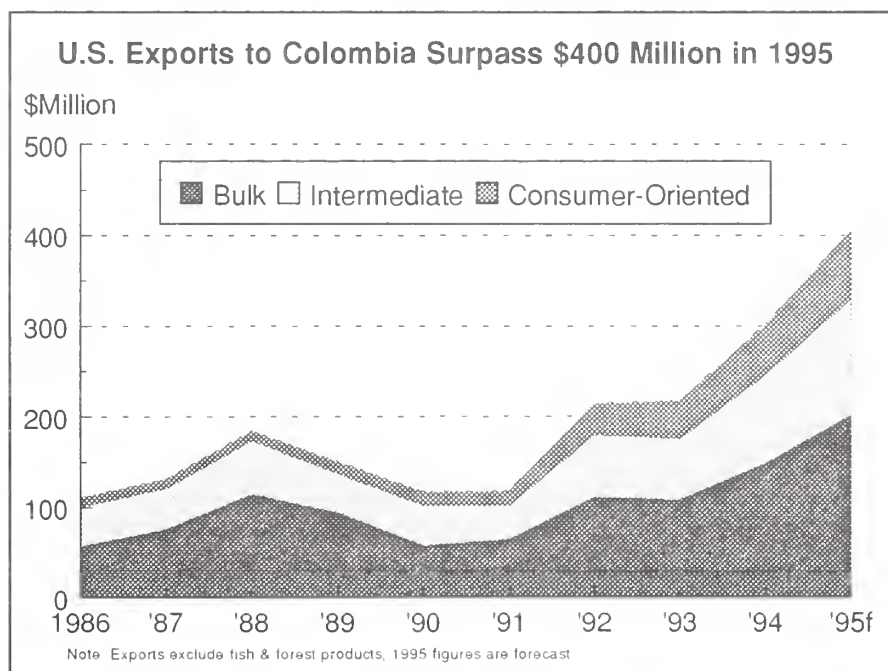
## Overall Trade Trends

Colombia's agricultural trade in 1994 reached \$3.5 billion, with imports of \$888 million and exports of \$2.6 billion. Colombia is about 90 percent self-sufficient in food. Given Colombia's proximity to the equator and elevated topography, a wide range of agricultural commodities can be produced throughout the year. However, there are several commodities which Colombia has difficulty producing, including deciduous fruits and wine grapes.

Approximately 10 percent of Colombia's basic foodstuffs, primarily grains, are imported. About 10 percent of all consumer-ready food products also are imported. During 1981 - 1991, Colombian imports of consumer-ready food products, principally canned foods, grew at an average annual rate of 10 percent, but during 1992, 1993, and 1994, increased by 100 percent, 20 percent, and 25 percent, respectively. This trade expansion resulted from the Government's decision to open the country to imports.

## U.S. Market Position

American lifestyles and consumer goods are highly attractive in Colombia. A quick look at a modern Colombian supermarket reminds the American visitor of a U.S. supermarket with well-stocked shelves offering a wide variety of consumer-ready food products (primarily canned and packaged foods, soft drinks, deciduous fruit, beer, and wine). But while Colombians have a great interest in consuming new and exotic processed foods, they also are very price conscious. Unlike most Americans, the average Colombian has only limited



## ...Colombia

disposable income available for spending on luxury items. Thus, while interest clearly is high, economic realities temper the growth in demand for U.S. processed foods.

U.S. agricultural exports (including fish and forestry products) to Colombia in 1994 totaled \$308 million (principally corn, wheat, soybeans, soybean meal, cotton, and tallow) while U.S. imports of Colombian farm products amounted to \$1,071 million (chiefly coffee, cut flowers, bananas, shrimp, and sugar). Eighteen percent of the total value of Colombia's 1994 agricultural imports from the United States consisted of consumer-oriented products, while intermediate products and bulk commodities comprised 33 and 49 percent, respectively.

The United States exported \$54 million worth of consumer-oriented agricultural products to Colombia in 1994, principally snack foods, poultry meat, fresh fruit and red meat products. The United States accounts for more than 80 percent of Colombia's import market for snack foods and red meat. U.S. poultry meat comprises more than half of all imports of poultry meat while U.S. fresh fruit makes up about one-third of Colombia's fruit imports.

### Trade Policy

Until the late 1980's the Government of Colombia promoted a policy of foodself-sufficiency which rested upon a wide range of protective measures for domestic producers. This included high support prices along with stringent import controls (high tariffs, import licenses and quotas). In 1990, the Government unveiled a market liberalization scheme called "Apertura" (or economic opening). This program was initiated in 1991. Import quotas virtually have been eliminated while import tariffs on processed foodstuffs have been adjusted downward to 15 - 20 percent. All imported foodstuffs require an import license issued by Colombia's Foreign Trade Institute (INCOMEX). In most cases, however, licenses now serve only as a source of

import statistics and are routinely issued.

In general, consumer-ready food products are imported without burdensome restrictions. If a product has a Ministry of Health clearance (registration) issued by the National Institute for the Surveyance of Food and Medicine (INVIMA) and an import license, it usually can enter Colombia without delay.

Powdered milk and fresh or frozen chicken are exceptions to automatic licensing approval by INCOMEX. If the Government determines that imports of these products are economically damaging the local dairy or poultry industries, import licenses are not approved. Imports of powdered milk were suspended under this authority during the first three months of 1994 but have since been allowed. Similarly, since the beginning of 1994 imports of fresh or frozen chicken parts have not been allowed to enter Colombia with the exception of chicken parts entering the San Andres and Providencia islands (a 300-ton monthly import quota applies to these islands) and through the relatively isolated Colombian ports of Turbo and Bahia Portete along the Caribbean coast and Tumaco on the Pacific coast (no quota applies to these ports). Imports of chicken parts through these ports are intended only for consumption within the immediate entry areas.

Additionally, Ministry of Agriculture (MOA) approval must be obtained before licenses are issued for imports of whole poultry (chicken, turkey and ducks). Reportedly, the MOA has not approved import licenses for U.S. poultry because it has determined that domestic production is sufficient to meet domestic demand. However, whole poultry meat imported from Chile and from Andean Pact countries, including Venezuela, are imported duty free without any restrictions because of trade agreements with these countries.

Under the guise of protecting Colombian farmers from subsidized

foreign competition, Colombia, along with the Andean Pact countries of Venezuela and Ecuador, adopted on April 1, 1995, a common price band system (variable import duties) for whole powdered milk, hard wheat, malting barley, yellow (feed) corn, milled rice, sugar, soybeans, crude palm oil, crude soybean oil, chicken parts, and pork. This price band also covers a large number of agricultural products that are made from or act as substitutes for the above listed commodities. This extends coverage to include: whole chicken, soft wheat, vegetable oil, soybean meal, sugar syrups, canned milk, white corn and sorghum. The Government's methodology used to determine import charges under the price-band system is not transparent and duty rates are subject to change based on political and economic considerations. Many consumer-ready food products, however, are not subject to the price-band system.

### Import Registration and Inspection

Imported food products must be registered and approved by INVIMA and are required to carry labels printed in Spanish. These labels may be of a stick-on type. A one-time product registration by INVIMA requires the following: a certificate of free sale, certification that the manufacturing plant is government licensed and inspected, a statement of manufacturing procedures used in the production of the product, and a listing of product ingredients and additives. Once all required documentation is submitted, product registration by INVIMA usually takes one to two months. Upon arrival, INVIMA tests the product to determine final acceptability. Each shipment of fresh or frozen meat requires a sanitary certificate from the country of origin and the processing plant must be approved by the Colombian Agricultural Institute (ICA) of the MOA. Foodstuffs can require up to a month to clear customs.

ICA is required to conduct inspections of foreign meat and poultry plants



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which supply products to Colombia. As of November 30, 1994, 32 U.S. meat plants have been authorized to export to Colombia. The plant approval requirement has not presented a major obstacle to U.S. exporters.

### Domestic and Third-Country Competition

Products which Colombia produces in abundance include rice (periodically imports are needed), white corn (for human consumption), potatoes, yucca, vegetables, tropical fruits, dairy (powdered milk imported due to competitive prices) and red meat products (beef offals are imported). Colombia also produces wheat, oilseeds, vegetable oil, malting barley, sorghum, pulses, protein meals, some deciduous fruit, and tallow, but usually not in sufficient quantity to fully satisfy domestic demand.

About three quarters of Colombia's imported processed foods come from Latin American neighbors. As a member of the Andean Pact, Colombia grants duty-free status to agricultural products from other Pact members (Venezuela, Ecuador, Bolivia and Peru). Colombia also entered into preferential trade agreements with Chile and with Mexico in 1993 and 1994, respectively. In addition, members of the Latin American Association for Economic Integration (ALADI)--Argentina, Bolivia, Brazil, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela--receive limited tariff concessions. Most Andean Pact and ALADI countries have developed processed-food sectors. High-quality foods can be sold to Colombia by these countries at very competitive prices due to lower transportation costs and tariff concessions.

Under Apertura, ad-valorem import duties on imported agricultural products from non-Andean Pact countries have been reduced from 30-50 percent to 15-20 percent. Duties on imported agricultural products from ALADI countries usually are somewhat below the tariffs assessed on products from countries outside ALADI and the

Andean Pact. Consumer-ready food products from Andean Pact countries are imported duty free.

Because of the mountainous terrain and the poor condition of roads and railroads in Colombia, the considerable additional transportation cost from ocean ports to major urban areas places imported consumer-ready food products at a cost disadvantage with locally produced processed foods. Most imported foods from Colombia's neighbors (Venezuela, Ecuador and Peru) are marketed within a narrow geographic band along Colombia's borders.

Although Colombian demand for consumer-ready food items has doubled over the past decade, many imported U.S. products are prohibitively expensive for all but a small segment of the population. Nevertheless, niches for U.S. consumer-ready food products exist. Several U.S. and Colombian companies are studying the possibility of importing inexpensive processed foods in bulk form from the United States for consumer packaging in Colombia. Marketing products not available in Colombia, such as microwave popcorn, offers sales potential. A well-established Colombian company is exploring the possibility of importing U.S. canned soups and other products and using its existing marketing network for domestically produced goods for promotional activities.

### Consumer-Ready Product Import Potential

Under Apertura, Colombian imports of consumer-ready food products in 1994 increased 25 percent to \$75 million. The import outlook for 1995 indicates a similar gain. Although Colombia produces a significant range of consumer-ready food products (including processed fruits and vegetables, soups, meats, dairy, cookies, crackers, etc.) good possibilities for U.S. exporters do exist. Popular imported consumer-ready food products include canned, pureed and dried fruits and vegetables (tomato, peaches, cherries, raisins, prunes, apricots,

apples, olives, capers, garlic, etc.), candies, popcorn, spices, soups, sauces, processed meats (bacon), ice cream, cheese, bakery products, pasta, nuts, fresh deciduous fruit (apples, pears, peaches, and nectarines), beer, wine and liquor. Specialty meat items such as chicken hot dogs, although virtually unknown in Colombia, likely would become popular with aggressive marketing. Although there is a good market in Colombia for fresh/frozen chicken, particularly chicken leg quarters, U.S. exports face substantial tariff and non-tariff barriers.

There is a small but steady market for a full range of processed foods on Colombia's Caribbean islands of San Andres and Providence. The islands have a combined population of 60,000 plus 25,000 tourists at any time and can import agricultural products duty free from all sources. Although the United States already has a large presence in the islands' food market (almost all poultry meat comes from the U.S.), an aggressive marketing campaign likely would boost U.S. consumer-ready food sales among both island residents and tourists.

Even Colombia's most modern supermarkets lack a good supply and variety of frozen foods (fruits, vegetables, and other prepared foods). This is an area which deserves attention from U.S. suppliers. Supermarkets, medium-size food outlets, and restaurants are equipped with freezers and refrigerated counters but not to the extent found in the United States. Colombian margarine, usually processed with over 50 percent palm oil, is unappealing to anyone accustomed to American spreads. High-quality U.S. margarine could be successfully marketed in Colombia. Sales of quality U.S. table wine could be expanded through an educational campaign directed at both distributors and consumers. Restaurant and institutional markets for imported consumer-ready food products are limited but American style fast food restaurants are increasingly becoming evident.

## ...Colombia

### **Consumer-Ready Food Products:**

The demand for processed and other high-valued food products has increased steadily in the last five years. Specific products showing an upward increase in sales during this period were fresh/frozen whole chicken and turkey; poultry and beef offals; fresh/frozen pork, ham and lamb; powdered milk; cheese; hatching and table eggs; dried onions and garlic; dry fruit; raisins; fresh apples, pears, peaches, and nectarines; breakfast cereals; snack foods; wine; beer; and nursery products. The Colombian market for high-valued food products is growing as the urbanization process continues and individual purchasing power increases. The United States is the main foreign supplier of consumer-oriented products to Colombia.

**Wheat:** Colombian wheat imports are expected to increase over the next 3 to 5 years as local production remains stable while domestic consumption of bread and other wheat products grows. United States wheat import market share has been around 40 percent in recent years, a reduction from 100 percent in the early 1980s. The market reduction for hard wheat has been mainly due to the aggressive pricing of Canadian wheat as well as exports by other subsidizing suppliers (Germany and Saudi Arabia). The Colombian government has considerable discretion in determining wheat import duties under a "price band" mechanism with effective duty rates generally between 10 and 20 percent.

**Cotton:** Domestic cotton production is limited by the availability of suitable land. As domestic demand for cotton increases (the Colombian textile industry has been growing at an annual rate of about six percent per year) and with little or no import barriers (cotton imports enter duty free), Colombia is expected to continue its recent trend as a significant importer of U.S. cotton. The quality of U.S. cotton is well liked in Colombia. The United States has been the dominant supplier of cotton to Colombia and this situation should continue if U.S. prices are competitive with other potential suppliers. U.S.

loans to purchase U.S. cotton can be guaranteed under USDA's GSM Credit Guarantee program.

**Corn:** U.S. corn exports to Colombia are expected to benefit from a rapidly expanding demand for poultry and dairy feed. Colombian poultry meat and cow milk production in 1993 both increased by 44 percent and impressive rates of growth are anticipated in the near future. The increasing demand for feed corn can only be met by imports since most domestically produced corn is used for human consumption. The domestic feed manufacturing sector prefers to use U.S. corn because of its availability and consistent quality. The United States is the principal supplier of imported corn to Colombia. The Colombian government has considerable discretion in determining corn import duties under a "price band" mechanism with effective duty rates generally between 10 and 20 percent.

**Soybean Meal:** Colombian import demand for soybean meal is projected to increase in the years ahead in response to the growth in demand for protein feed ingredients by the poultry, dairy, and swine sectors, while local production of oilseeds remains flat. The U.S. share of the Colombian import market for soybean meal has been about 75 percent in recent years. Major third-country competitors have been Bolivia, Uruguay, Argentina and Venezuela. Venezuelan soybean meal is largely produced with U.S. soybeans. Both Venezuelan and Bolivian soybean meal receives duty free treatment under the Andean Pact Agreement. Currently the import tariff rate for soybeans and soybean meal is the same which provides an incentive to import soybean meal over soybeans. The Colombian government has considerable discretion in determining soybean/soybean meal import duties under a "price band" mechanism. Effective duty rates generally range between 10 and 20 percent.

**Tallow:** Colombia is the third largest market for U.S. tallow. About 90 percent of the tallow consumed in Colombia is used in the production of

soap, and the remaining 10 percent is split evenly between human and animal consumption. U.S. exports to Colombia consist largely of inedible tallow. The United States has been the traditional supplier with little or no third country competition. U.S. imported tallow is more expensive than locally produced tallow but its higher quality is preferred. The average annual growth in the import market for tallow over the near term is forecast at about 2 percent. The import growth rate could be larger if the use of tallow in animal feed takes off due to expanded dairy, beef and poultry output. U.S. tallow faces a 15-percent import duty rate. USDA's GSM Credit Guarantee Program has been used for tallow exports to Colombia.

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# U.S. Exports of Agricultural, Fish & Wood Products to COLOMBIA

Calendar Years 1990 to 1995 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-August		%
	1990	1991	1992	1993	1994	1994	1995	Chg
<b>Bulk Agricultural Total</b>	56,625	63,519	109,726	107,226	147,371	73,567	126,642	72.1%
Wheat	52,231	57,939	25,373	30,192	29,469	10,672	43,431	307.0%
Coarse Grains	1,472	3,264	58,917	43,620	72,833 *	40,448	62,828	55.3%
Rice	0	4	2,937 *	23	3	3	101	3266.7%
Soybeans	0	0	4,519	13,055	13,309	4,290	3,437	-19.9%
Cotton	71	10	12,426	19,233	25,302 *	13,587	14,273	5.0%
Tobacco	0	716	0	0	0	0	3	NA
Pulses	2,132	261	4,376	125	5,615	3,945	2,055	-47.9%
Peanuts	54	81	418 *	297	260	159	208	30.8%
Other Bulk Commodities	666	1,244	760	680	580	462	304	-34.2%
<b>Intermediate Agricultural Total</b>	45,724	39,006	70,139	68,589	99,317 *	53,495	81,999	53.3%
Wheat Flour	327	129	257	826	386	275	341	24.0%
Soybean Meal	0	0	13,466	23,853	45,630 *	24,939	25,934	4.0%
Soybean Oil	276	1,515	402	112	3,609	19	8,415	44189.5%
Other Vegetable Oils	2,689	921	580	348	909	466	3,327	613.9%
Feeds & Fodders (excl. pet foods)	808	2,359	3,765	3,093	4,796 *	2,569	3,843	49.6%
Live Animals	1,855	2,286	3,613	3,267	4,875 *	3,450	2,069	-40.0%
Hides & Skins	5	243	1,088	2,223 *	551	430	2,042	374.9%
Animal Fats	15,118	20,728	21,570	21,292	20,278	12,436	15,900	27.9%
Planting Seeds	2,888	3,963	3,950	3,811	3,784	2,774	2,965	6.9%
Sugars, Sweeteners & Bever. Bases	1,282	1,025	1,025	593	715	401	781	94.8%
Other Intermediate Products	20,475 *	5,838	20,422	9,171	13,783	5,733	16,383	185.8%
<b>Consumer-Oriented Agricultural Total</b>	13,927	14,456	33,937	40,782	53,990 *	31,094	52,408	68.5%
Snack Foods (excluding nuts)	1,212	2,139	4,597	7,135	11,717 *	7,525	6,426	-14.6%
Breakfast Cereals & Pancake Mix	35	29	401	719	698	375	1,672 *	345.9%
Red Meats, Chilled/Frozen	773	935	1,463	2,762	3,650	3,029	7,007 *	131.3%
Red Meats, Prepared/Preserved	770	629	1,260	1,549	1,970 *	1,230	979	-20.4%
Poultry Meat	650	894	5,630	6,156	5,573	3,061	7,813 *	155.2%
Dairy Products	2,303	1,699	5,734	3,954	4,570	2,648	5,425	104.9%
Eggs & Products	74	524	2,012	2,644	1,963	1,541	2,925 *	89.8%
Fresh Fruit	2,283	2,305	3,616	2,363	6,410 *	1,817	2,061	13.4%
Fresh Vegetables	1,301 *	22	63	109	137	80	53	-33.8%
Processed Fruit & Vegetables	1,576	2,000	3,217	4,779	3,976	2,701	3,241	20.0%
Fruit & Vegetable Juices	144	150	275	806	933	594	1,115 *	87.7%
Tree Nuts	287	350	591	1,007	1,135 *	608	963	58.4%
Wine and Beer	391	468	1,000	1,458	754	352	631	79.3%
Nursery Products & Cut Flowers	849	706	1,389 *	725	965	729	863	18.4%
Pet Foods, Dog/Cat	19	13	31	91	822	413	1,091 *	164.2%
Other Consumer-Oriented Products	1,259	1,593	2,660	4,528	8,717	4,391	10,140 *	130.9%
<b>Wood Products Total</b>	3,014	4,665	3,771	5,053	5,603 *	3,705	3,012	-18.7%
Logs	0	34	0	38	37	37	0	-100.0%
Lumber	397	535	288	310	405	230	211	-8.3%
Plywood & Panel Products	790	353	370	427	818	425	752	76.9%
Other Wood Products	1,827	3,743	3,113	4,278	4,343 *	3,014	2,049	-32.0%
<b>Fish &amp; Seafood Products Total (Edible)</b>	135	216	609	663	1,753 *	1,504	795	-47.1%
Salmon, Whole/Eviscerated	0	3	31	3	0	0	7	NA
Salmon, Canned	3	0	20	3	44	37	20	-45.9%
Crab & Crabmeat	0	46	67	60	43	43	9	-79.1%
Surimi (fish paste)	N/A	N/A	0	0	0	0	0	NA
Roe & Urchin	13	7	30	0	3	3	28	833.3%
Other Edible Fish & Seafood Products	119	160	462	598	1,664 *	1,421	731	-48.6%
<b>Agricultural Product Total</b>	116,276	116,981	213,802	216,597	300,678 *	158,156	261,049	65.1%
<b>Agricultural, Fish &amp; Wood Product Total</b>	119,425	121,862	218,182	222,313	308,034 *	163,365	264,856	62.1%

Note: (\*) Highest export level since at least 1970; N/A = not available; NA = not applicable.



# Feature Story: USDA'S Long-Term Agricultural Trade Strategy

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The U.S. Department of Agriculture issued on October 25, its Long-Term Agricultural Trade Strategy (LATS) report that will serve as a guide for increasing U.S. agricultural exports into the next century.

"The future growth of American agriculture will hinge on success in the international marketplace since U.S. agricultural exports are expected to represent a greater share of farm and rural income in the years to come," said Agriculture Secretary Dan Glickman in his comments introducing the LATS document. "Our goal is to achieve a 50-percent increase in agricultural exports by the year 2000."

"Achieving the 50-percent export increase would lead to substantial benefits throughout the U.S. economy including a 13-percent boost in annual farm income; the creation of an estimated 378,000 new jobs off the farm; and an additional \$50 billion in total U.S. economic activity," Secretary Glickman stated.

USDA's international agricultural trade mission is to open, expand, and maintain global market opportunities through international trade, cooperation, and sustainable development activities which secure the long-term economic vitality and global competitiveness of America's rural communities and related food and agricultural enterprises.

The recently concluded Uruguay Round of multilateral trade negotiations ushers in an era of unprecedented long-term market potential, with new and burgeoning consumer demand worldwide for our food and agricultural exports. The LATS is designed to assist rural communities and related food and agricultural enterprises to exploit profitably rapidly changing global market forces, free from unfair risks.

The Administration's commitment to the Uruguay Round and its trade-liberalizing effects offer great promise for future export success. The large, government-held commodity stocks, so characteristic of the past, have disappeared in recent years as export demand has risen. In response, USDA's export

strategy has shifted from a surplus-management focus to a market-oriented, demand-driven approach. Global consumer demand drives the strategy, as market demand pulls through the entire agribusiness commodity system, ultimately manifested in public and private production decisions. Shifts in demand at the consumer level drive demand for all types of agricultural products ranging from raw bulk and semifinished inputs to high-value food and fiber products. The productivity, diversity and competitiveness of the U.S. food and agricultural private sector give the United States its global comparative advantage.

The Long-Term Agricultural Trade Strategy is designed to help U.S. exporters achieve a 50 percent increase in agriculture exports. The strategy emphasizes:

- Innovative public-private partnerships to execute promotional strategies for key products in targeted markets. New concepts will be explored to help prioritize and focus market promotion resources, based on improved analysis of foreign market demand as well as the competitive position of the U.S. in relation to other supplying countries.

- Reducing and countering unfair foreign trade measures. U.S. programs and trade laws need to be utilized to the maximum extent possible to offset unfair trade practices and to enhance our competitiveness in the face of more aggressive foreign promotional and credit activities.

- Trade policy initiatives to open new markets and improve market access. The United States must take advantage of the new global opportunities created by recent trade agreements, ensure that our trading partners fulfill their obligations under the agreements, and insist that future agreements include provisions for further liberalization of agricultural markets.

- Ensuring long-term benefits to the rural and national economy. Programs and



## ...Agricultural Trade Strategy

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strategies that build better markets, by stimulating economic growth and improving purchasing power, can pay enormous long-term dividends to the U.S. agricultural sector and to rural America.

"As an export sensitive industry, agriculture's future will largely be determined by the forces of global supply and demand and the competitiveness of U.S. producers," Secretary Glickman said. "That future looks promising, given the excellent growth prospects for agricultural, fish, and forestry products abroad."

The LATS report points out that the future of American Agriculture will be increasingly dependent on developments in the Asia/Pacific Rim. The fastest growing economies are in this part of the world. This is the fundamental reason USDA will increasingly focus its export assistance efforts in the Asia/Pacific Rim. Increases in U.S. agricultural exports are sustainable over the longer term due in part to the growth of other emerging markets worldwide, especially in Latin America.

The LATS emphasizes that export expansion will also be spurred by the increasing diversity and high quality of U.S. products. High-value products will continue to comprise a large and growing share of world agricultural trade and today comprises over two-thirds of total world agricultural trade, up from 54 percent in 1985. This share is expected to climb to 75 percent by the year 2000. Aided by an aggressive export promotion program and favorable exchange rates, U.S. market share of global high-value products trade has increased from 10 percent in 1985 to 16 percent today. The outlook is for further gains to the year 2000 and beyond.

The LATS report adds that the outlook for U.S. bulk agricultural exports also is very favorable. There is growing demand, less competition from traditional competitors, and import liberalization in the wake of the Uruguay Round negotiations and the NAFTA. Economic growth in China is stimulating demand for bulk products, and its reduced role as a competitor with the United States in other Pacific Rim markets is creating opportunities for U.S. exports.

Secretary Glickman pointed out in his introductory comments for the LATS that, "our competitors around the world are also gearing up to take advantage of

market opportunities brought about by the GATT Uruguay Round Agreement and other trade initiatives." That is why it is so vital for U.S. exporters to have a bold, comprehensive export strategy that will help ensure America's leadership in global food and agricultural markets." Subsidizing exporters will continue to use export subsidies at Uruguay Round-disciplined levels and will conduct credit and credit guarantee programs and non-price export promotion programs. USDA implemented export subsidy programs provide U.S. producers the ability to counter these export subsidies of the EU and the discriminatory pricing power of the marketing boards of Australia, Canada, and New Zealand. USDA's credit guarantee programs allow U.S. exporters to offer competitive sales terms while market development programs will assist U.S. producers and firms to promote their products in world markets.

USDA's Long-Term Agricultural Trade Strategy report is required by the Food, Agriculture, Conservation and Trade Act of 1990. LATS draws upon contributions from all USDA agencies that have a role in assisting in U.S. export growth. It will provide guidance for cost-effective assistance in partnership with the private sector in a period of increasingly limited resources.

*Terrence Barber, Senior Director of Strategic Planning, Evaluation, and Compliance for the USDA, Foreign Agricultural Service, directed the Department-wide LATS 96 effort. Any questions or comments can be directed to LATS 96 economists and team leaders Karen Halliburton and Robert Tse at (202) 720-9146 or (202) 720-3247*

# Trade Policy and Market Updates

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## **U.S. Rice Sales to Japan Top 80,000 Tons**

The Government of Japan's Food Agency (FA) bought 100,000 tons of foreign rice October 26, including 50,000 tons from the United States. The remainder was bought from Thailand (30,000 mt) and Australia (20,000 mt). This is the second rice import tender by Japan which fulfills its Uruguay Round minimum access commitment of 379,000 tons (milled basis) prior to the end of the Japanese fiscal year on March 31, 1996. The U.S. and Australian rice is expected to be sold to Japanese consumers, while most of the Thai rice is likely to go to food processing. This latest tender brings Japan's total purchases for the year to approximately 182,600 tons, of which 81,567 tons was purchased from the United States. The FA previously announced that it plans to purchase the remainder of its minimum access commitment by the end of 1995.

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## **South Africa Removes Ban On U.S. Corn Imports**

The South African Government recently announced that it is lifting its ban on imports of U.S. corn which had been in place since June. The ban was placed on both white and yellow corn entering South Africa because of fear of the disease "Stewart's Wilt." Under pressure from the local industry, which has been complaining about high prices, the government decided that imports of corn would be necessary to bring local price levels down. The United States currently holds most of the world's exportable corn supply. U.S. corn will be permitted to enter through the ports of Durban and Capetown. South African import requirements for white corn are estimated at 500,000 tons. Import certificates for 475,000 tons (including both white and yellow corn) already have been issued.

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## **Pacific Northwest Apple Industry Reaches Export Accord With Mexico**

The Pacific Northwest apple industry has reached an agreement with Mexican officials on funding for the current year's apple inspection program, clearing the way for trade to commence. The agreed-upon budget for this year's program is \$853,000, about half the amount from the previous year. The lower funding reflects both reduced trade levels resulting from the peso devaluation, as well as a scaling back of some of the costly oversight provisions which Mexico had earlier required. The new work plan addresses many of the operational problems which were encountered last year. U.S. exports of apples in marketing year 1994/95 (July/June) totaled 87,269 tons (\$49 million), down from 152,059 tons (\$86 million) in the preceding year.

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## **Australia Purchases Over 1,000 Tons Of U.S. Butter in First Half of 1995**

Underscoring the severity of the Australian drought during the 1994/95 (July/June) season and its impact on Australian dairy production is the unprecedented purchase of close to 1,100 tons of U.S. butter. Faced with a severe shortage of butter on the domestic market, Australia was forced to purchase U.S. butter. Australia has not purchased a substantial volume of U.S. butter during the past decade.

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## **U.S. Chilled Pork Surpasses Taiwan In the Japanese Market**

For the first time, monthly U.S. chilled pork exports into Japan exceeded those from Taiwan. Japanese trade statistics indicate that Japan's pork imports in August totaled 53,328 tons, up 18 percent from the same period last year, but down 8 percent from July.

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## **India Exports Flour to Vietnam**

A group of Indian flour mills reportedly has agreed to export 60,000 to 70,000 tons of flour to Vietnam for delivery during the next six months. This would be the first recorded Indian flour sale to Vietnam. The flour is being sold on a c&f basis at about \$220 per ton, compared to US flour which is priced at about \$420 c&f.

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## ...Trade Policy and Market Updates

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### **Turkey Allows Poultry Parts Imports**

The Government of Turkey (GOT) has recently taken steps to liberalize its poultry market. The GOT lifted regulations prohibiting the importation of cut-up birds and limiting shipments to 40 tons per consignment. These reforms were spurred by increasing domestic demand and sudden and drastic increases in white meat prices. A 5-percent import duty and a \$600 per ton "housing tax" surcharge, however, remain in effect. Local producers protested the action, with many major firms voluntarily reducing their prices by 12 percent. Turkish poultry consumption averages 6 kilograms per person, only one-fourth of the level prevailing in the West. U.S. broiler meat exports to Turkey have shown marked growth in 1995, rising from \$47,000 in the first 8 months of 1994 to \$557,000 during the same period this year.

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### **U.S. Canned Corn Exports to the EU Hit By Higher Tariffs**

Effective July 1, 1995, the EU began assessing its import duty on canned sweet corn on a gross weight basis rather than on a drained weight basis. This shift in policy has resulted in a significant increase in the tariff assessment, with duty being charged on approximately 55 grams of water per can, or nearly one metric ton per container. Before July 1, the EU tariff schedule contained a footnote specifying that the duty was to be applied on a drained weight basis. The new Uruguay Round schedule, however, did not contain a similar instruction. This permitted EU Customs officials to implement the change in duty assessment procedure. Compounding the problem, bilateral trade agreements between the EU and Hungary and Switzerland allow the duty to be assessed on the product's drained weight. This disparate policy is providing Hungarian product a 65-percent price advantage compared to U.S. canned sweet corn. U.S. exports of canned sweet corn to the EU totaled \$42 million in CY 1993, before dropping off to \$23 million in 1994. USDA is consulting with the EU Commission to seek remedy to the tariff problem.

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### **EU Fruit and Vegetable CAP Reform**

The EU Commission released in October its long-awaited proposal to reform the EU fruit and vegetable sector. The proposal, which must next go to the Council of Agricultural Ministers for consideration, primarily addresses the EU's internal support regime for fresh and processed fruits and vegetables. Commitments for reduction of export subsidies on these products have been made in the EU's Uruguay Round country schedule. Preliminary reviews of the proposal indicate that it aims to reduce the withdrawal program for fresh produce which has been used to support market prices. It also gives greater budgetary discretion to producer organizations to adjust production to demand and promote higher quality products.

The withdrawal program, which in recent years has encouraged growers to produce twice as many cling peaches as needed for canning, would be limited in the first year to perhaps 50 percent of product marketings and by the fifth year of the reform plan to 10 percent. Withdrawal prices also would be reduced an additional 15 percent from the lowest point of the current (1995/96) marketing season. For producer groups, the Commission proposes to create discretionary "operational funds" originating equally from levies on product marketings and public funds. It is expected that the program will continue the payment of processing subsidies to EU canners and processors paying minimum grower prices for canning and processing fruit. The reform proposal still faces much discussion among EU member states before the Council can adopt it, possibly up to a year from now.



## ...Trade Policy and Market Updates

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### **ANUGA '95 Generates \$47.5 Million In Exports**

Exhibitors in the American Foods pavilion at ANUGA '95 expected to increase exports by \$47.5 million. At the ANUGA World Food Market in Cologne, Germany, 117 exhibitors in the American Foods pavilion reported making an average of 20 promising trade contacts during the 6-day show. The estimated annual increase in sales per exhibitor rose to \$380,000, up 27 percent from ANUGA '93. Sixty-four percent of exporters projected sales increases, clear evidence of the breadth and strength of demand for U.S. products worldwide. In addition, a separate USA pavilion, sponsored by the U.S. Meat Export Federation and the USA Poultry and Egg Export Council and located in ANUGA's meat products hall, successfully showcased the products of 11 meat and poultry companies.

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### **Prominent Japanese Restaurant Chain Switches to U.S. Pork**

Tonkatsu Wako, a major Japanese pork cutlet chain, has begun using U.S. chilled SPF (specific, pathogen-free) pork instead of sourcing supplies from the domestic market. This chain has a reputation for quality and value, using about 400 tons of pork annually in its 106 outlets. SPF pork is produced in a highly controlled environment to ensure that it is pathogen-free. USDA and U.S. Meat Export Federation program efforts to educate potential Japanese buyers about U.S. product, and follow up to put them in contact with appropriate U.S. suppliers, has resulted in this significant achievement. This breakthrough is expected to result in additional sales while improving the acceptance of U.S. pork by the general public.

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### **Bulgaria Bans Wheat Exports**

The Bulgarian Ministry of Trade has banned wheat exports until the government is able to purchase 1.1 million tons for its national wheat reserve. Despite a plentiful harvest of over 3.8 million tons, the government has not been able to secure enough wheat to meet internal consumption needs. Enticed by high world prices, Bulgaria entered the world wheat market in mid-July and has since exported 500,000 tons. The increase in export taxes in late August was inadequate to discourage exports, as wheat continued to flow to Turkey, Africa and the Middle East.

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### **EU Table Egg Refunds Drop Sharply**

The almost weekly reductions in EU export refunds for table eggs mark a radical departure from previous operations by the EU Commission. Following seven reductions since July, the October refund level for table eggs to the prime targeted markets, the Middle East, Hong Kong, and Russia, is now less than half of the level of three months ago (11 ECU/100 kg vs. 24 ECU/100 kg.). This new refund setting strategy is seen by the Commission as a way to balance market conditions and meet GATT commitments. As recent Dutch egg producer prices and exporter prices to targeted markets increased, the Commission actively took steps to lower export refunds.

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### **Korean Rice Contracts Go to India**

After passing on all bids presented in its September tender for imported rice, South Korea's Office of Supply (OSROK) held a second tender on Monday, October 9 for the 57,000 tons Korea committed to import under its Uruguay Round minimum access requirement. It had been hoped that with Korea agreeing to partially open their domestic rice markets, U.S. producers might have the opportunity to develop demand in this quality conscious market. OSROK, however, awarded all contracts to exporting firms from India, apparently on the basis of price alone. The ability of Indian exporters to meet the rigorous safety standards and delivery deadline announced by OSROK is considered by industry observers to be questionable.

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## ...Trade Policy and Market Updates

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### **Pakistan Commits Nearly Half of Next Season's Rice Exports**

The Rice Export Corporation of Pakistan (RECP) has contracted for the export of 500,000 tons of Pakistan's 1995/96 rice crop. This sale represents the advance commitment of almost half of Pakistan's projected CY 1996 export volume of 1.1 million tons even before the Pakistani rice harvest has gotten fully underway. The Government of Pakistan may institute a temporary and/or partial ban on other rice exports in the interim period in order to prevent any domestic shortages which would leave RECP unable to execute these contracts. At a time when the world rice market is extremely tight and international prices continue to rise, the forward sale of such a large portion of its 1995/96 crop by one of the world's top exporters may contribute to expectations of continued high prices and limited availability of rice during the coming months.

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### **Uganda Launches Program To Revive Cotton Industry**

Uganda reportedly launched a \$34-million cotton revival program funded partly by the World Bank and the International Fund for Agricultural Development (IFAD). The program seeks to increase cotton production which would reduce Uganda's dependence on coffee exports. The program primarily will focus on developing quick-maturing cotton varieties and the provision of farmer extension services. The program hopes to triple output from the current 30,000 bales in the next crop year, and reach 250,000 bales by the turn of the century. The Ugandan cotton industry was liberalized in 1993. More than 300 private buyers have emerged and 14 exporters have been licensed. The impact of Uganda's cotton revival program on the U.S. cotton industry may be negligible in the short-run. In the long-run, however, increased exports from Uganda to its traditional markets in Western Europe and Malaysia could compete with U.S. market share in those regions.

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### **Russian Butter Prices Stabilize**

Butter prices in Moscow reportedly stabilized during August and September rather than moving higher due a seasonal decline in milk production. The unexpected price stability is attributed to extra supplies being placed on the market as wholesalers reduced their stocks in an attempt to avoid high storage costs -- 1 percent every 10 days. Despite the price stability, the wholesale price for fresh butter in Moscow ranges from \$3,300 to \$4,000 per ton which is well above international price level. According to U.S. Census data, U.S. butter exports to Russia during the first eight months of 1995 were valued at \$17 million, down from \$20 million during the same period in 1994. For all of 1994, the United States exported 17,380 tons of butter to Russia, valued at \$26 million.

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# U.S. Exports of Agricultural, Fish & Wood Products to All Countries

Calendar Years 1990 to 1995 and Year-to-Date Comparisons (\$1,000)

Product	Calendar Years					January-August		%
	1990	1991	1992	1993	1994	1994	1995	Chg
<b>Bulk Agricultural Total</b>	20,232,083	18,348,386	19,687,248	18,593,458	18,951,466	11,438,338	15,980,878	39.7%
Wheat	3,839,037	3,292,138	4,449,324	4,664,582	4,056,007	2,460,743	3,142,233	27.7%
Coarse Grains	7,036,717	5,722,597	5,736,599	5,000,598	4,731,925	2,793,816	4,935,011	76.6%
Rice	801,527	753,557	726,072	771,312	1,010,548	629,515	650,132	3.3%
Soybeans	3,549,508	3,956,443	4,380,402	4,598,746	4,330,427	2,410,059	3,155,777	30.9%
Cotton	2,798,495	2,491,999	2,010,338	1,540,678	2,676,263	1,805,076	2,641,208	46.3%
Tobacco	1,441,116	1,427,631	1,650,559 *	1,306,067	1,302,745	882,748	890,960	0.9%
Pulses	353,111	268,414	191,656	213,254	280,649	141,465	162,398	14.8%
Peanuts	203,373	180,304	240,308	204,576	187,552	92,343	168,883	82.9%
Other Bulk Commodities	209,199	255,304	301,989	293,645	375,352	222,572	234,274	5.3%
<b>Intermediate Agricultural Total</b>	8,573,907	8,789,224	9,231,134	8,973,466	9,749,696 *	6,071,331	7,393,538	21.8%
Wheat Flour	182,956	184,256	184,317	205,729	211,248	148,635	183,779	23.6%
Soybean Meal	1,005,103	1,155,307	1,294,722	1,132,041	958,920	627,772	721,945	15.0%
Soybean Oil	312,930	222,126	376,202	363,897	525,077	235,059	564,385	140.1%
Other Vegetable Oils	394,790	418,144	502,732	543,897	671,187 *	382,110	641,225	67.8%
Feeds & Fodders (excl. pet foods)	1,572,369	1,605,732	1,722,327	1,744,163 *	1,738,454	1,145,341	1,249,280	9.1%
Live Animals	513,783	686,563 *	607,891	518,927	587,352	325,998	258,445	-20.7%
Hides & Skins	1,729,731	1,357,570	1,326,054	1,268,658	1,507,616	984,503	1,185,461	20.4%
Animal Fats	428,729	426,824	515,214	501,702	598,546	342,090	550,722	61.0%
Planting Seeds	588,723	671,655	675,011 *	619,359	648,614	397,141	419,025	5.5%
Sugars, Sweeteners & Bever. Bases	572,052	634,101	573,921	567,807	656,761	428,039	432,419	1.0%
Other Intermediate Products	1,272,743	1,426,946	1,452,744	1,507,288	1,645,921 *	1,054,645	1,186,852	12.5%
<b>Consumer-Oriented Agricultural Total</b>	10,465,615	11,967,920	13,895,994	14,911,316	16,988,134 *	10,575,431	11,996,209	13.4%
Snack Foods (excluding nuts)	530,125	633,040	829,679	1,024,643	1,101,668 *	679,005	637,082	-6.2%
Breakfast Cereals & Pancake Mix	157,882	216,802	219,762	252,993	291,979 *	189,351	168,795	-10.9%
Red Meats, Chilled/Frozen	2,394,495	2,660,267	3,112,361	3,055,222	3,383,394 *	2,115,489	2,686,183	27.0%
Red Meats, Prepared/Preserved	135,998	165,101	181,562	220,038	253,621 *	152,270	169,236	11.1%
Poultry Meat	672,888	817,913	928,464	1,100,613	1,570,414 *	943,007	1,230,189	30.5%
Dairy Products	328,053	462,956	793,754	857,487 *	753,257	493,651	540,614	9.5%
Eggs & Products	101,979	143,367	139,234	139,438	164,653	103,654	105,614	1.9%
Fresh Fruit	1,486,489	1,561,053	1,683,344	1,707,147	1,953,767 *	1,287,683	1,319,677	2.5%
Fresh Vegetables	728,648	832,935	899,624	985,953	1,046,789 *	684,737	775,945	13.3%
Processed Fruit & Vegetables	1,246,753	1,394,490	1,558,121	1,639,583	1,720,891 *	1,069,643	1,240,327	16.0%
Fruit & Vegetable Juices	375,497	385,414	461,017	469,517	543,013 *	365,498	445,744	22.0%
Tree Nuts	801,120	867,704	928,531	998,246	1,106,416 *	593,414	600,532	1.2%
Wine and Beer	266,202	315,756	369,181	379,301	532,735 *	356,836	427,581	19.8%
Nursery Products & Cut Flowers	186,741	201,442	201,321	209,397 *	197,985	134,144	132,640	-1.1%
Pet Foods, Dog/Cat	244,038	329,772	399,630	497,621	577,943 *	364,601	402,894	10.5%
Other Consumer-Oriented Products	808,706	979,907	1,190,410	1,374,116	1,789,607 *	1,042,447	1,113,157	6.8%
<b>Wood Products Total</b>	6,481,227	6,429,179	6,741,685	7,281,313 *	7,029,961	4,623,371	4,924,121	6.5%
Logs	2,388,921	2,074,432	2,140,010	2,489,560 *	2,277,981	1,490,609	1,624,960	9.0%
Lumber	2,127,895	2,203,353	2,322,491	2,449,643 *	2,428,150	1,628,460	1,691,978	3.9%
Plywood & Panel Products	769,983	735,227	847,867	906,397	944,360 *	606,252	656,839	8.3%
Other Wood Products	1,194,428	1,416,167	1,431,317	1,435,714 *	1,379,471	898,049	950,344	5.8%
<b>Fish &amp; Seafood Products Total (Edible)</b>	2,776,759	3,035,383	3,353,935 *	2,959,086	3,002,265	2,023,041	2,141,807	5.9%
Salmon, Whole/Eviscerated	666,582	436,975	681,663	583,060	518,413	408,046	432,186	5.9%
Salmon, Canned	104,276	133,644	154,401	160,416	161,577 *	82,509	96,365	16.8%
Crab & Crabmeat	363,251	431,411	448,050 *	417,660	349,136	261,001	150,607	-42.3%
Surimi (fish paste)	N/A	N/A	367,627 *	274,322	318,850	156,894	199,028	26.9%
Roe & Urchin	289,458	389,031	421,396 *	415,319	408,963	290,356	372,093	28.2%
Other Edible Fish & Seafood Products	1,353,193	1,644,322 *	1,280,798	1,108,309	1,245,325	824,234	891,528	8.2%
<b>Agricultural Product Total</b>	39,271,605	39,105,530	42,814,376	42,478,240	45,689,296 *	28,085,100	35,370,625	25.9%
<b>Agricultural, Fish &amp; Wood Product Total</b>	48,529,591	48,570,092	52,909,996	52,718,639	55,721,522 *	34,731,512	42,436,553	22.2%

Note: (\*) Highest export level since at least 1970; N/A = not available; NA = not applicable.

# U.S. Exports of Agricultural, Fish & Forest Products by Major Group

## Monthly and Annual Performance Indicators

Export Values	August			October-August			Fiscal Year			
	1994	1995	Chg	FY '94	FY '95	Chg	1994	1995(f)	1996(p)	Chg
	-- \$Billion --			-- \$Billion --			----- \$Billion -----			95/96
Grains and Feeds 1/	1.067	1.732	62%	12.275	15.697	28%	13.413	16.9	17.5	4%
Wheat & Flour	0.356	0.579	63%	3.821	4.578	20%	4.228	5.0	5.4	8%
Rice	0.042	0.085	101%	0.838	0.978	17%	0.891	1.0	1.0	0%
Coarse Grains 2/	0.353	0.739	109%	4.207	6.511	55%	4.569	7.0	7.1	1%
Corn	0.298	0.665	123%	3.522	5.810	65%	3.817	6.2	6.4	3%
Feeds & Fodders	0.190	0.208	9%	2.106	2.287	9%	2.277	2.5	2.6	4%
Oilseeds and Products	0.502	0.575	14%	6.465	8.403	30%	6.975	8.7	8.9	2%
Soybeans	0.267	0.301	13%	3.899	4.815	23%	4.161	5.0	5.3	6%
Soybean Cakes & Meals	0.082	0.072	-13%	0.958	0.998	4%	1.013	1.0	1.0	0%
Soybean Oil	0.049	0.034	-30%	0.363	0.784	116%	0.433	0.8	0.6	-25%
Other Vegetable Oils	0.047	0.083	75%	0.545	0.867	59%	0.608	N/A	N/A	N/A
Livestock Products	0.577	0.687	19%	5.712	7.110	24%	6.320	7.3	7.6	4%
Red Meats	0.296	0.395	34%	2.885	3.658	27%	3.206	3.8	3.9	3%
Hides, Skins & Furs	0.133	0.137	3%	1.286	1.572	22%	1.423	1.7	1.8	6%
Poultry Products	0.149	0.198	33%	1.559	2.018	29%	1.720	2.2	2.4	9%
Poultry Meat	0.120	0.168	41%	1.252	1.700	36%	1.383	N/A	N/A	N/A
Dairy Products	0.072	0.078	8%	0.771	0.746	-3%	0.832	0.8	0.9	13%
Unmanufactured Tobacco	0.066	0.073	11%	1.203	1.254	4%	1.260	1.3	1.3	0%
Cotton and Linters	0.192	0.135	-30%	2.190	3.396	55%	2.306	3.7	2.9	-22%
Planting Seeds	0.033	0.037	12%	0.579	0.635	10%	0.619	0.7	0.7	0%
Horticultural Products	0.689	0.708	3%	7.385	8.390	14%	8.098	9.4	10.3	10%
Sugar & Tropical Products	0.164	0.161	-2%	1.775	1.767	0%	1.928	2.0	2.0	0%
Forest Products 4/	0.603	0.565	-6%	6.337	6.721	6%	6.946	N/A	N/A	N/A
Fish and Seafood Products 4/	0.346	0.284	-18%	2.595	2.804	8%	2.912	N/A	N/A	N/A
Total Agriculture	3.512	4.384	25%	39.914	49.414	24%	43.474	53.0	54.5	3%
Total Ag., Fish & Forest	4.460	5.233	17%	48.846	58.939	21%	53.333	N/A	N/A	N/A

Export Volumes	---- MMT----		Chg	---- MMT----		Chg	----- MMT-----		Chg
Grains and Feeds 1/	7.731	10.909	41%	80.565	106.406	32%	88.581	N/A	N/A
Wheat	2.829	3.255	15%	27.932	28.575	2%	31.132	31.0	30.5
Wheat Flour	0.111	0.147	32%	0.972	1.140	17%	1.037	1.2	1.0
Rice	0.145	0.267	85%	2.262	3.551	57%	2.438	3.6	3.4
Coarse Grains 2/	3.438	5.896	72%	36.243	58.608	62%	39.845	61.8	56.5
Corn	2.881	5.327	85%	30.127	52.288	74%	33.057	55.0	51.0
Feeds & Fodders	0.999	1.147	15%	11.040	12.295	11%	11.797	13.3	13.3
Oilseeds and Products	1.758	2.004	14%	22.404	31.497	41%	24.154	32.4	31.2
Soybeans	1.107	1.270	15%	15.213	21.660	42%	16.364	22.5	21.8
Soybean Cakes & Meals	0.403	0.406	1%	4.572	5.676	24%	4.859	5.7	5.3
Soybean Oil	0.084	0.050	-41%	0.578	1.180	104%	0.694	1.2	1.0
Other Vegetable Oils	0.065	0.118	82%	0.754	1.213	61%	0.849	N/A	N/A
Livestock Products 3/	0.263	0.314	20%	2.676	3.376	26%	2.957	N/A	N/A
Red Meats	0.094	0.124	32%	0.924	1.144	24%	1.025	1.2	1.2
Poultry Products 3/	0.125	0.177	41%	1.269	1.777	40%	1.405	N/A	N/A
Poultry Meat	0.121	0.173	43%	1.231	1.737	41%	1.364	1.8	2.0
Dairy Products 3/	0.044	0.046	2%	0.399	0.467	17%	0.467	N/A	N/A
Unmanufactured Tobacco	0.011	0.010	-3%	0.188	0.186	-1%	0.196	N/A	N/A
Cotton & Linters	0.123	0.076	-38%	1.562	2.010	29%	1.639	2.1	1.7
Planting Seeds	0.015	0.033	116%	0.468	0.458	-2%	0.498	N/A	N/A
Horticultural Products 3/	0.539	0.476	-12%	6.005	6.511	8%	6.560	7.5	8.0
Sugar & Tropical Products 3/	0.107	0.094	-12%	1.102	0.910	-17%	0.910	N/A	N/A
Total Agriculture 3/	10.716	14.138	32%	116.637	153.598	32%	127.414	163.1	156.5

Notes: 1/ Includes pulses, corn gluten feed and meal; 2/ includes corn, oats, barley, rye and sorghum; 3/ includes only those items measured in metric tons; 4/ items not included in agricultural product totals. N/A = not available.

FY 1995 forecasts (f) and FY 1996 projections (p) are based on USDA's "Outlook for Agricultural Exports," published August 31, 1995.

# U.S. Agricultural Export Value by Region

## Monthly and Annual Performance Indicators

	August			October-August			Fiscal Year		
	1994	1995	Chg	FY '94	FY '95	Chg	1994	1995(f)	Chg
	-- \$Billion --	-- \$Billion --		-- \$Billion --	-- \$Billion --		-- \$Billion --	-- \$Billion --	
<b>Western Europe</b>	0.452	0.581	29%	6.489	7.903	22%	7.013	8.5	21%
European Union 1/	0.423	0.562	33%	6.238	7.599	22%	6.741	8.1	20%
Other Western Europe	0.029	0.019	-34%	0.250	0.304	22%	0.272	0.4	47%
<b>Central &amp; Eastern Europe</b>	0.029	0.015	-48%	0.290	0.259	-11%	0.310	0.3	-3%
<b>Former Soviet Union</b>	0.083	0.123	48%	1.373	1.049	-24%	1.474	1.1	-25%
Russian Federation	0.041	0.093	128%	1.049	0.835	-20%	1.095	0.8	-27%
<b>Asia</b>	1.486	1.864	25%	16.301	21.846	34%	17.671	23.5	33%
Japan	0.724	0.869	20%	8.520	9.548	12%	9.193	9.9	8%
China	0.117	0.178	53%	0.784	2.227	184%	0.877	2.5	185%
Other East Asia	0.466	0.567	22%	4.827	6.858	42%	5.261	7.4	41%
Taiwan	0.169	0.173	3%	1.949	2.312	19%	2.103	2.4	14%
South Korea	0.193	0.281	46%	1.881	3.235	72%	2.055	3.5	70%
Hong Kong	0.104	0.112	8%	0.995	1.303	31%	1.101	1.5	36%
Other Asia	0.179	0.250	39%	2.171	3.212	48%	2.340	3.7	58%
Pakistan	0.000	0.003	975%	0.206	0.351	71%	0.212	0.5	135%
Philippines	0.058	0.056	-4%	0.509	0.607	19%	0.554	0.7	26%
<b>Middle East</b>	0.131	0.214	63%	1.519	2.227	47%	1.650	2.3	39%
Israel	0.030	0.048	63%	0.330	0.427	29%	0.346	0.5	44%
Saudi Arabia	0.044	0.022	-51%	0.435	0.427	-2%	0.470	0.5	6%
<b>Africa</b>	0.190	0.256	35%	1.966	2.581	31%	2.159	2.9	34%
North Africa	0.134	0.170	27%	1.319	1.826	38%	1.438	2.1	46%
Egypt	0.060	0.135	125%	0.531	1.180	122%	0.598	1.4	134%
Algeria	0.055	0.025	-54%	0.556	0.434	-22%	0.592	0.5	-16%
Sub-Saharan Africa	0.055	0.086	55%	0.648	0.755	17%	0.721	0.8	11%
<b>Latin America</b>	0.637	0.768	21%	6.513	7.353	13%	7.228	7.8	8%
Mexico	0.380	0.357	-6%	3.686	3.354	-9%	4.126	3.5	-15%
Other Latin America	0.257	0.411	60%	2.827	3.998	41%	3.103	4.3	39%
Brazil	0.011	0.029	153%	0.197	0.593	201%	0.227	0.7	209%
Venezuela	0.034	0.047	38%	0.377	0.452	20%	0.401	0.5	25%
<b>Canada</b>	0.447	0.463	4%	4.807	5.359	11%	5.248	5.9	12%
<b>Oceania</b>	0.047	0.044	-7%	0.457	0.512	12%	0.497	0.7	41%
<b>World Total</b>	<b>3.512</b>	<b>4.384</b>	<b>25%</b>	<b>39.916</b>	<b>49.417</b>	<b>24%</b>	<b>43.474</b>	<b>53.0</b>	<b>22%</b>

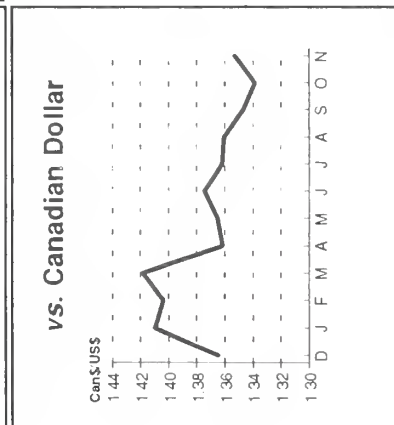
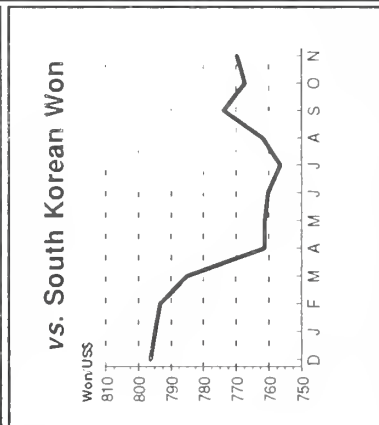
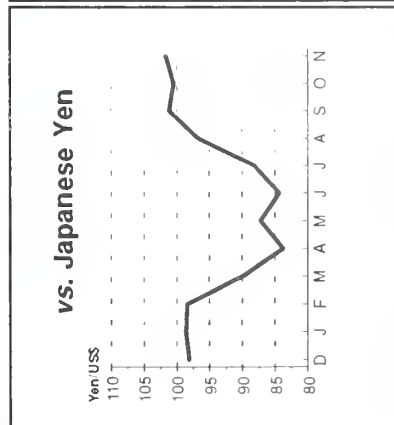
Note: 1/ EU-15 includes the newest member states of Austria, Finland and Sweden.

FY 1995 forecasts (f) are based on USDA's "Outlook for U.S. Agricultural Exports," published August 31, 1995.



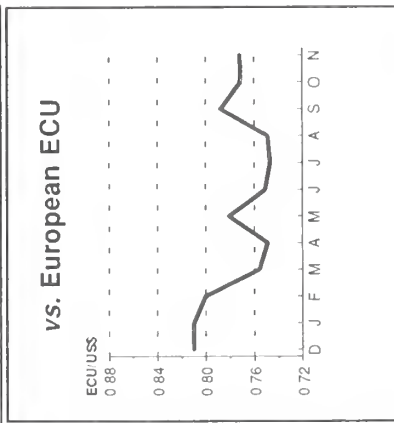
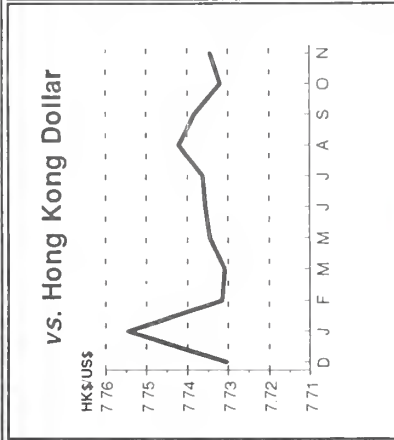
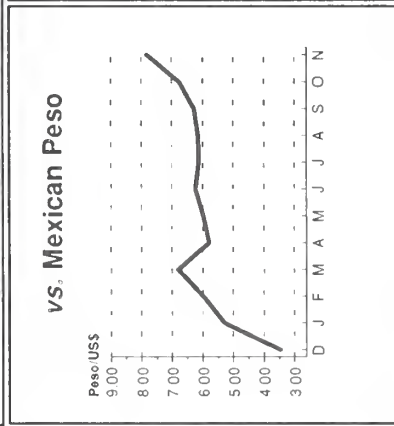
# Value Of U.S. Dollar Against Major World Currencies

## Daily Spot Quotations & Monthly Averages



Currencies	Current Rate 11/14/95	Month Ago 10/16/95	Year Ago 11/94	% Change Year Ago 11/94
Argentine Peso	1.0000	.9999	.99	1.01
Australian Dollar	1.3513	1.3180	1.3366	1.10
Brazilian Real	.9621	.9581	.83	15.92
Canadian Dollar	1.3528	1.3364	1.3583	-0.40
Hong Kong Dollar	7.7343	7.7313	7.7290	0.07
Japanese Yen	101.65	100.58	98.06	3.66
Mexican Peso	7.8100	6.7450	3.4465	126.61
Taiwan Dollar	27.254	26.921	26.20	4.02
South Korean Won	769.75	768.35	797.20	-3.44
European ECU	.77172	.77149	.81136	-4.89
-British Pound	.6413	.6352	.6303	1.75
-French Franc	4.8800	4.9640	5.3115	-8.12
-German Mark	1.4135	1.4223	1.5448	-8.50

NOTE: Exchange rates are daily spot quotes as of 3:00 PM Eastern Time, November 14, 1995.  
Source: TEAD/ITP/FAS Exchange Rate Database and Wall Street Journal.



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